INTRABIOTICS PHARMACEUTICALS INC /DE
Form DEF 14A
April 19, 2002

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
ý Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under Rule 14a-12

IntraBiotics Pharmaceuticals, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

ý No fee required
o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

INTRABIOTICS PHARMACEUTICALS, INC.

1245 Terra Bella Avenue
Mountain View, CA 94043

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2002

TO THE STOCKHOLDERS OF INTRABIOTICS PHARMACEUTICALS, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of IntraBiotics Pharmaceuticals, Inc., a Delaware corporation (the "Company"), will be held on Wednesday, June 5, 2002 at 8:00 a.m. local time at the Company's offices located at 1245 Terra Bella Avenue, Mountain View, California for the following purposes:

1. To elect three directors to hold office until the 2005 Annual Meeting of Stockholders and until their successors are elected.

2. To approve an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the authorized number of shares of common stock from 50,000,000 to 70,000,000 shares.

3. To ratify the selection of Ernst & Young LLP as independent auditors of the Company for its fiscal year ending December 31, 2002.

4. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The Board of Directors has fixed the close of business on April 15, 2002, as the record date for the determination of stockholders entitled to notice and to vote at this Annual Meeting and at any adjournment or postponement thereof.

By Order of the Board of Directors

Robert L. Jones
Secretary

Mountain View, California
April 24, 2002

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY, OR VOTE OVER THE INTERNET AS INSTRUCTED IN THESE MATERIALS, AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN A PROXY ISSUED IN YOUR NAME FROM THAT RECORD HOLDER.

INTRABIOTICS PHARMACEUTICALS, INC.

1245 Terra Bella Avenue
Mountain View, CA 94043

PROXY STATEMENT
FOR THE 2002 ANNUAL MEETING OF STOCKHOLDERS

June 5, 2002

INFORMATION CONCERNING SOLICITATION AND VOTING

GENERAL

The enclosed proxy is solicited on behalf of the Board of Directors of IntraBiotics Pharmaceuticals, Inc., a Delaware corporation ("IntraBiotics" or the "Company"), for use at the Annual Meeting of Stockholders to be held on Wednesday, June 5, 2002, at 8:00 a.m. local time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 1245 Terra Bella Avenue, Mountain View, California. The Company intends to mail this proxy statement and accompanying proxy card on or about April 24, 2002 to all stockholders entitled to vote at the Annual Meeting.

SOLICITATION

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of common stock of the Company ("Common Stock") beneficially owned by others to forward to such beneficial owners. The Company may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by directors, officers or other regular employees of the Company. No additional compensation will be paid to directors, officers or other regular employees for such services.

VOTING RIGHTS AND OUTSTANDING SHARES

Only holders of record of Common Stock at the close of business on April 15, 2002 will be entitled to notice of and to vote at the Annual Meeting. At the close of business on April 15, 2002 the Company had outstanding and entitled to vote 35,912,645 shares of Common Stock. Each holder of record of Common Stock on such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by votes at the meeting or by proxy. All votes

will be tabulated by the inspector of election appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Abstentions will be counted towards the vote total on proposals presented to the stockholders and will have the same effect as negative votes. Except for Proposal 2, broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved. With respect to Proposal 2, abstentions and broker non-votes will have the same effect as negative votes.

VOTING VIA THE INTERNET OR BY TELEPHONE

Stockholders may grant a proxy to vote their shares by means of the telephone or on the Internet. The law of Delaware, under which the Company is incorporated, specifically permits electronically transmitted proxies, provided that each such proxy contains or is submitted with information from which the inspectors of election can determine that such proxy was authorized by the stockholder.

The telephone and Internet voting procedures below are designed to authenticate stockholders' identities, to allow stockholders to grant a proxy to vote their shares and to confirm that stockholders' instructions have been recorded properly. Stockholders granting a proxy to vote via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that must be borne by the stockholder.

For Shares Registered in the Name of a Broker or Bank

Most beneficial owners whose stock is held in street name receive instruction for granting proxies from their banks, brokers or other agents, rather than the Company's proxy card.

A number of brokers and banks are participating in a program provided through ADP Investor Communication Services that offers the means to grant proxies to vote shares by means of the telephone and Internet. If your shares are held in an account with a broker or bank participating in the ADP Investor Communications Services program, you may grant a proxy to vote those shares telephonically by calling the telephone number shown on the instruction form received from your broker or bank, or via the Internet at ADP Investor Communication Services' web site at http://www.proxyvote.com.

General Information for All Shares Voted Via the Internet or By Telephone

Votes submitted via the Internet or by telephone must be received by 11:59 p.m., Eastern time on June 4, 2002. Submitting your proxy via the Internet or by telephone will not affect your right to vote in person should you decide to attend the Annual Meeting.

REVOCABILITY OF PROXIES

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of the Company at the Company's principal executive office, 1245 Terra Bella Avenue, Mountain View, California 94043, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

STOCKHOLDER PROPOSALS

The deadline for submitting a stockholder proposal for inclusion in the Company's proxy statement and form of proxy for the Company's 2003 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities and Exchange Commission is December 26, 2002. Stockholders wishing to submit proposals or director nominations that are not to be included in such proxy statement and proxy must do so not later than the close of business on March 7, 2003, nor earlier than the close of business on February 6, 2003. Stockholders are advised to review the Company's Bylaws, which contain additional requirements with respect to advance notice of stockholder proposals and director nominations.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's Amended and Restated Certificate of Incorporation and Bylaws provide that the Board of Directors shall be divided into three classes, each class consisting, as nearly as possible, of one-third of the total number of directors, with each class having a three-year term. Vacancies on the Board of Directors may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board of Directors to fill a vacancy (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified.

The Board of Directors is presently composed of eight members. There are three directors in the class whose term of office expires in 2002. Each of the nominees for election to this class is currently a director of the Company. If elected at the Annual Meeting, each of the nominees would serve until the 2005 annual meeting and until his or her successor is elected and has qualified, or until such director's earlier death, resignation or removal.

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the meeting. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve.

Set forth below is biographical information for each person nominated and each person whose term of office as a director will continue after the Annual Meeting.

NOMINEES FOR ELECTION FOR A THREE-YEAR TERM EXPIRING AT THE 2005 ANNUAL MEETING:

Kathleen D. LaPorte, *age 40*, was elected Acting Chairman of the Board in November 2001, and has served as a director of the Company since January 1994. Since 1993, Ms. LaPorte has been affiliated with the Sprout Group, the venture capital affiliate of Credit Suisse First Boston, and is currently a General Partner. From August 1987 to January 1993, Ms. LaPorte was a Principal at Asset Management Company, a venture capital firm focused on early stage technology investments. Ms. LaPorte is a member of the boards of directors of six privately held companies.

Gary A. Lyons, age 51, has served as a director of the Company since December 1999. From 1993 to the present, Mr. Lyons has been President and Chief Executive Officer of Neurocrine Biosciences, Inc., a biopharmaceutical company. From 1983 to 1993, Mr. Lyons was affiliated with Genentech, Inc. and served as Vice President of Business Development and Vice President of Sales. He is a member of the Board of Directors of Vical Inc., a gene delivery biopharmaceutical company.

Jane E. Shaw, Ph.D., *age 63*, has served as director of the Company since August 1996 and served as Chairman of the Board of the Company from August 1996 to October 2000. Dr. Shaw is Chairman and Chief Executive Officer of AeroGen, Inc., a pulmonary drug delivery company. From 1987 to 1994, she was President and Chief Operating Officer of ALZA Corporation, a pharmaceutical company. Dr. Shaw is also a member of the Board of Directors of Intel Corporation, McKesson HBOC, Inc. and Boise Cascade Corporation.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF EACH NAMED NOMINEE.**

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2003 ANNUAL MEETING:

John M. Padfield, Ph.D., age 55, has served as a director of the Company since June 1998. From 1999 to the present, Dr. Padfield has been the Chief Executive Officer of Amersham Health, a predictive and therapeutic medicine company based in Buckinghamshire, England and a member of the Board of Directors of Amersham plc, a pharmaceutical and biotechnology company. From 1994 to 1999, Dr. Padfield has served as Chief Executive Officer of Chiroscience Group plc, an emerging pharmaceutical company based in Cambridge, England. He also is the past Chairman of the Board of the BioIndustry Association in the United Kingdom. From 1979 to 1994, Dr. Padfield was affiliated with Glaxo Holdings plc, where he held board positions in several subsidiary companies, most recently as Managing Director of Glaxo Manufacturing Services Ltd.

Henry J. Fuchs, M.D., age 44, has served as a director of the Company since November 2001. Dr. Fuchs joined IntraBiotics as Vice President, Clinical Affairs in October 1996, and was appointed President and Chief Operating Officer in November 2001. From 1987 to 1996, Dr. Fuchs held various positions at Genentech, a biotechnology company, where, among other things, he had responsibility for the clinical program that led to the approval for Genentech's Pulmozyme®. Dr. Fuchs was also responsible for the phase III development program that led to the approval of Herceptin® to treat metastatic breast cancer. Dr. Fuchs received a M.D. degree from George Washington University and a B.A. degree in biochemical sciences from Harvard University.

DIRECTORS CONTINUING IN OFFICE UNTIL THE 2004 ANNUAL MEETING:

Michael F. Bigham, *age 44*, has served as a director of the Company since October 1996. Mr. Bigham is currently Vice Chairman of Corixa Corporation, a publicly-traded biotechnology company focused on treatments for autoimmune disorders, oncology and infectious disease. From 1996 to December 2000, Mr. Bigham served as President and Chief Executive Officer of Coulter Pharmaceuticals, a biotechnology company that was merged into Corixa Corporation in December 2000. Prior to joining Coulter Pharmaceuticals, he was Executive Vice President and Chief Financial Officer of Gilead Sciences, Inc., a biotechnology company, where he worked from 1988 to 1996. From 1984 to 1988, Mr. Bigham worked for Hambrecht & Quist, LLC where he was the co-head of Healthcare Investment Banking. He is a member of the Boards of Directors of Corixa Corporation, two private companies and a Trustee of the Western Folklife Center, a non-profit cultural organization.

Liza Page Nelson, age 42, has served as a director of the Company since December 1999. From 1998 to the present, Ms. Nelson has been a Managing Director at Investor Growth Capital, Inc., a private equity investment group that advises Investor AB and its affiliates (including Investor Growth Capital Limited) on global investments in healthcare and information technology. Investor AB is an industrial holding company publicly traded in Stockholm and London. From 1988 to 1998, Ms. Nelson was affiliated with Pfizer Inc, a pharmaceutical company, where she held a variety of business development and strategic planning positions including Senior Director-Business Development for Pfizer US Pharmaceuticals and Pfizer Health Solutions, Inc. Ms. Nelson is a member of the Boards of Directors of Axcan Pharma Inc., a pharmaceutical company, and of two private companies.

Jack S. Remington, M.D., *age 71*, has served as a director of the Company since October 1996. Dr. Remington is a nationally recognized authority in the field of infectious disease medicine, and received the 1996 Bristol Award of the Infectious Disease Society of America (IDSA). He currently serves as Professor, Department of Medicine, Division of Infectious Diseases and Geographic Medicine, Stanford University School of Medicine and as Chairman of the Department of Immunology and Infectious Diseases at the Research Institute of the Palo Alto Medical Foundation. In addition, Dr. Remington consults to leading pharmaceutical companies with regard to antibiotic research and development and serves on numerous editorial boards of medical journals. He is a past President of the Infectious Disease Society of America.

BOARD COMMITTEES AND MEETINGS

During the fiscal year ended December 31, 2001, the Board of Directors held nine meetings and acted by unanimous written consent three times. The Board has an Audit Committee and a Compensation Committee.

The Audit Committee meets with the Company's independent auditors to review the results of the annual audit and discuss the financial statements; recommends to the Board the independent auditors to be retained; oversees the independence of the independent auditors; evaluates the independent auditors' performance; and receives and considers the independent auditors' comments as to controls, adequacy of staff and management performance and procedures in connection with audit and financial controls. It met five times during the last fiscal year. The Audit Committee is composed of three outside directors: Ms. LaPorte, Ms. Nelson and Dr. Shaw. All members of the Company's Audit Committee are independent as defined in Rule 4200(a)(14) of the NASD listing standards.

The Compensation Committee makes recommendations concerning salaries and incentive compensation, awards stock options to employees and consultants under the Company's stock option plans and otherwise determines compensation levels and performs such other functions regarding compensation as the Board may delegate. The Compensation Committee is composed of three outside directors: Mr. Bigham, Dr. Padfield and Dr. Shaw. It met five times during such fiscal year and acted by unanimous written consent one time.

During the fiscal year ended December 31, 2001, each Board member attended at least 75% of the aggregate of the meetings of the Board and of the committees on which he or she served, held during the period for which he or she was a director or committee member, respectively.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS(1)

The Audit Committee reports to and acts on behalf of the Board of Directors by providing oversight of the financial management, independent auditors and financial reporting procedures of the Company. The Company's management is responsible for preparing the Company's financial statements and Ernst & Young LLP, the independent auditors, are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditors.

In this context, the Audit Committee has met and held discussions with management and the independent auditors. Management has represented to the Audit Committee that the Company's financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the financial statements with management and the independent auditors. The Audit Committee reviewed with the independent auditor their judgments as to the quality not just the acceptability, of the Company's accounting principles.

The Audit Committee has discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (Communication With Audit Committees). In addition, the independent auditors provided to the Audit Committee the written disclosures required by Independent Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee and the independent auditors have discussed the auditors' independence from the Company and its management, including the matters in those written disclosures. Additionally, the Committee considered the other non-audit services provided by the independent auditors and the fees and costs billed and expected to be billed by the independent auditors for those services.

The Audit Committee has discussed with the Company's independent auditors, with and without management present, the results of their examination, their evaluations of the Company's internal accounting controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions with management and the independent auditors referred to above, the Audit Committee recommended to the Board of Directors on February 6, 2002, and the Board has approved, the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K, for the fiscal year ended December 31, 2001, for filing with the Securities and Exchange Commission. The Audit Committee also recommended to the Board of Directors, and the Board has approved, subject to stockholder ratification, the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2002.

AUDIT COMMITTEE

Jane E. Shaw, Ph.D., Director, Chairman of the Audit Committee
Kathleen D. LaPorte, Acting Chairman of the Board
Liza Page Nelson, Director

(1) The material in this report is not "soliciting material," is not deemed "filed" with the Securities and Exchange Commission, and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

PROPOSAL 2

APPROVAL OF INCREASE IN NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

The Board of Directors has adopted, subject to stockholder approval, an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the Company's authorized number of shares of Common Stock from 50,000,000 shares to 70,000,000 shares.

The additional Common Stock to be authorized by adoption of the amendment would have rights identical to the currently outstanding Common Stock. Adoption of the proposed amendment and issuance of the Common Stock would not affect the rights of the holders of currently outstanding Common Stock, except for effects incidental to increasing the number of shares of the Common Stock outstanding, such as dilution of the earnings per share and voting rights of current holders of Common Stock. If the amendment is adopted, it will become effective upon filing of a Certificate of Amendment of the Company's Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware.

In addition to the 29,798,203 shares of Common Stock outstanding at December 31, 2001, the Board has reserved 8,559,542 shares for issuance upon exercise of options and rights granted under the Company's stock option and stock purchase plans, and 700,000 shares of Common Stock which may be issued upon exercise of a warrant. Additionally, on February 1, 2002, the Company issued 5,900,000 shares of Common Stock in a private placement.

Although at present the Board of Directors has no other plans to issue the additional shares of Common Stock, it desires to have such shares available to provide additional flexibility to use its capital stock for business and financial purposes in the future. The additional shares may be used, without further stockholder approval, for various purposes including, without limitation, raising capital, providing equity incentives to employees, officers or directors, establishing strategic relationships with other companies and expanding the company's business or product lines through the acquisition of other businesses or products.

The additional shares of Common Stock that would become available for issuance if the proposal were adopted could also be used by the Company to oppose a hostile takeover attempt or delay or prevent changes in control or management of the Company. For example, without further stockholder approval, the Board could strategically sell shares of Common Stock in a private transaction to purchasers who would oppose a takeover or favor the current Board. Although this proposal to increase the authorized Common Stock has been prompted by business and financial considerations and not by the threat of any hostile takeover attempt (nor is the Board currently aware of any such attempts directed at the Company), nevertheless, stockholders should be aware that approval of proposal could facilitate future efforts by the Company to deter or prevent changes in control of the Company, including transactions in which the stockholders might otherwise receive a premium for their shares over then current market prices.

The affirmative vote of the holders of a majority of the outstanding shares of the Common Stock will be required to approve this amendment to the Company's Amended and Restated Certificate of Incorporation. As a result, abstentions and broker non-votes will have the same effect as negative votes.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 2.

PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Board of Directors has selected Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2002, and has further directed that management submit the selection of independent auditors for ratification by the stockholders at the Annual Meeting. Ernst & Young LLP has audited the Company's financial statements since its inception in 1994. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Ernst & Young LLP as the Company's independent auditors is not required by the Company's Bylaws or otherwise. However, the Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee and the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee and the Board in their discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of Ernst & Young LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

AUDIT FEES. For the fiscal year ended December 31, 2001, the aggregate fees to Ernst & Young LLP for the audit of the Company's financial statements and for the review of the Company's interim financial statements was $197,593.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES. During the fiscal year ended December 31, 2001, the Company did not have any fees to Ernst & Young LLP for information technology consulting.

ALL OTHER FEES. During fiscal year ended December 31, 2001, the aggregate fees billed by Ernst & Young LLP for professional services other than audit fees was $54,125, including audit related services of $34,250 and non-audit services of $19,875 (tax return preparation). Audit related services generally include fees for registration statements filed with the Securities and Exchange Commission and accounting consultations.

The Audit Committee has determined the rendering of all non-audit services by Ernst & Young LLP is compatible with maintaining the auditor's independence.

During the fiscal year ended December 31, 2001, none of the total hours expended on the Company's financial audit by Ernst & Young LLP were provided by persons other than Ernst & Young LLP's full-time permanent employees.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 3.

EXECUTIVE OFFICERS

Our executive officers of the Company and certain information about them as of March 1, 2002 are detailed below. Kenneth J. Kelley, the Company's Chief Executive Officer, President and Chairman of the Board resigned from his position as Chief Executive Officer and President and resigned as Chairman of the Board on November 29, 2001, but remained as a non-executive employee until January 31, 2002. Henry J. Fuchs, M.D., our Vice President of Clinical Affairs, was promoted to President and Chief Operating Officer and elected as a director on November 29, 2001. On January 4, 2002, Eric H. Bjerkholt joined IntraBiotics as Senior Vice President and Chief Financial Officer.

Name	Age	Position
Henry J. Fuchs, M.D.	44	President, Chief Operating Officer and Director
Eric H. Bjerkholt	42	Senior Vice President and Chief Financial Officer
Natalie L. McClure, Ph.D.	49	Senior Vice President, Product Development

Henry J. Fuchs, M.D. was appointed President, Chief Operating Officer and Director of the Company in November 2001. Dr. Fuchs joined the Company as Vice President, Clinical Affairs in October 1996. From 1987 to 1996, Dr. Fuchs held various positions at Genentech, a biotechnology company, where among other things, he had responsibility for the clinical program that led to the approval for Genentech's Pulmozyme®. Dr. Fuchs was also responsible for the phase III development program that led to the approval of Herceptin® to treat metastatic breast cancer. Dr. Fuchs received a M.D. degree from George Washington University and a B.A. degree in biochemical sciences from Harvard University.

Eric H. Bjerkholt joined the Company as Senior Vice President and Chief Financial Officer in January 2002. From 1999 until 2002, Mr. Bjerkholt was founder, and at various times, Chief Financial Officer, President and Chief Executive Officer of LifeSpring Nutrition, a privately-held nutraceutical company. Mr. Bjerkholt has seven years of experience in healthcare investment banking, including as a Vice President at J.P. Morgan & Co., Inc. from September 1990 to January 1997**,** where he was responsible for a large number of equity and other transactions in the biotechnology, pharmaceutical and other healthcare sectors. Mr. Bjerkholt received his M.B.A. from Harvard Business School and a Cand. Oecon degree in mathematical economics from the University of Oslo. Mr. Bjerkholt has also held appointments as Senior

Economist with the Norwegian Ministry of Finance and as an Economist with the United Nations. He is a member of the board of directors of a privately-held company.

Natalie L. McClure, Ph.D. was promoted to Senior Vice President, Product Development of the Company in January 2002. Dr. McClure joined the Company as Vice President, Regulatory Affairs in October 1999. As part of the corporate restructuring in May, 2001, Dr. McClure was designated as Vice President, Product Development with responsibility for pharmaceutical development, project management, regulatory affairs, quality assurance and medical writing. Dr. McClure has over 20 years experience in regulatory affairs. From 1993 to 1999, she held various regulatory affairs positions including Vice President, Regulatory Affairs and Quality Assurance for Matrix Pharmaceutical, Inc., a pharmaceutical company. She received her Ph.D. in organic chemistry from Stanford University and her B.S. in chemistry from the University of Michigan.

SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Common Stock as of March 1, 2002 by: (i) each director and nominee for director; (ii) each of the executive officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than 5% of its Common Stock.

	Beneficial Ownership(1)	
Beneficial Owner	**Number of Shares**	**Percent of Total**
Investor Growth Capital Ltd.(2) P.O. Box 626 National Westminster House Le Truchot St. Peter Port Guernsey Channel Island GY1 4PW	3,125,000	8.7%
Frank H. Pearl(3) 2099 Pennsylvania Ave., Suite 900 Washington D.C. 20006	2,975,209	8.3
Entities Affiliated with Credit Suisse First Boston, Inc.(4) 11 Madison Avenue New York, NY 10010	2,729,133	7.6
Oscar L. Tang(5) 600 Fifth Ave., 8th Floor New York, NY 10020	2,158,000	6.0
Entities Affiliated with St. Paul Venture Capital, Inc.(6) 10400 Viking Drive, Suite 550 Eden Prairie, MN 55344	1,941,428	5.4
Michael F. Bigham(7)	70,810	*
Kenneth J. Kelley(8)	1,126,278	3.1
Gary A. Lyons(9)	24,750	*
Kathleen D. LaPorte(4)(10)	2,741,698	7.6
Liza Page Nelson(2)(11)	3,130,000	8.7

	Beneficial Ownership(1)	
John M. Padfield, Ph.D.(12)	26,125	*
Jack S. Remington, MD.(13)	19,500	*
Jane E. Shaw, Ph.D.(14)	50,452	*
John C. Fiddes, Ph.D.	145,000	*
Henry J. Fuchs, M.D.(15)	312,973	*
Natalie L. McClure, Ph.D.(16)	115,459	*
Sandra J. Wrobel	0	*
All executive officers and directors as a group (10 people)(17)	6,491,767	17.8

* Represents beneficial ownership of less than 1% of the outstanding shares of the Company's Common Stock.

(1) This table is based upon information supplied by officers, directors and principal stockholders and Schedules 13D and 13G filed with the Securities and Exchange Commission. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Unless otherwise indicated, the principal address of each of the stockholders named in this table is: c/o IntraBiotics Pharmaceuticals, Inc., 1245 Terra Bella Avenue, Mountain View, California 94043. Applicable percentages are based on 35,803,425 shares outstanding on March 1, 2002, adjusted as required by rules promulgated by the Securities and Exchange Commission.

(2) Includes 2,187,500 shares held by Investor Growth Capital Limited (Investor Growth) and 937,500 shares held by Investor Group L.P., an affiliate of Investor Growth. Ms. Nelson, a director of IntraBiotics Pharmaceuticals, Inc., is a Managing Director of Investor Growth Capital, Inc. which advises Investor Growth on its investments. In such capacity, Ms. Nelson may be deemed to have an indirect pecuniary interest in an indeterminate portion of the shares beneficially held by Investor Growth and Investor Group. Ms. Nelson disclaims beneficial ownership of the shares held by Investor Growth and Investor Group within the meaning of Rule 13d-3 under the Securities Act of 1934.

(3) Includes 1,750,000 shares held by Perseus-Soros BioPharmaceutical Fund, L.P. ("PSBF") and 1,225,209 shares held by New York Life BioVenture Partners LLC ("New York Life"). Mr. Pearl is the sole owner of Perseuspur, LLC, the managing member of Perseus BioTech Fund Partners, LLC, a managing member of Perseus-Soros Partners, LLC, the general partner of PSBF, and may be deemed to beneficially own the shares held by PSBF. Mr. Pearl may also be deemed to beneficially own the shares held by New York Life, for which an affiliate of Mr. Pearl acts as investment adviser.

(4) Includes 51,665 shares held by Credit Suisse First Boston (USA), Inc. (Credit Suisse USA), a wholly-owned subsidiary of Credit Suisse First Boston, Inc. Also includes 247,962 shares held by DLJ Capital Corporation (DLJ) a wholly-owned subsidiary of Credit Suisse USA, 955,527 shares held by Sprout Capital VI, L.P. (Sprout VI) and 1,450,133 shares held by Sprout Capital VII, L.P. (Sprout VII). DLJ is the managing general partner of Sprout VI and Sprout VII. Also includes 23,846 shares held by Sprout CEO Fund, L.P. (Sprout CEO) of which DLJ is the general partner. Ms. LaPorte, a director of IntraBiotics Pharmaceuticals, Inc., is a Managing Director of DLJ and is a General Partner of the general partners of Sprout VI and Sprout VII. In such capacity, Ms. LaPorte may be deemed to have an indirect pecuniary interest in an indeterminate portion of the shares beneficially owned by DLJ, Sprout VI, Sprout VII and Sprout CEO. Ms. LaPorte disclaims beneficial ownership of the shares held by DLJ, Sprout VI, Sprout VII and Sprout CEO within the meaning of Rule 13d-3 under the Securities Act of 1934.

(5)
Includes 626,000 shares with respect to which Mr. Tang has sole voting and investment power and 1,532,000 shares with respect to which Mr. Tang shares voting and investment power through an investment advisor or a co-trustee relationship.

(6)
Includes 1,886,828 shares held by St. Paul Fire and Marine Insurance Company (St. Paul Fire and Marine) a wholly-owned subsidiary of The St. Paul Companies, Inc. (St. Paul) and 54,600 shares held by St. Paul Venture Capital IV, L.L.C (St. Paul Venture). St. Paul Fire and Marine is the 99% owner of St. Paul Venture. St. Paul Fire and Marine is a wholly-owned subsidiary of The St. Paul Companies, Inc., who also shares voting power with respect to the shares held by St. Paul Fire and Marine and St. Paul Venture.

(7)
Includes 28,500 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

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(8)
Includes 517,258 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002. Also includes 10,000 shares held in irrevocable trusts with an independent trustee for Mr. Kelley's children. Mr. Kelley disclaims beneficial ownership of the shares held by his children.

(9)
Includes 23,750 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(10)
Includes 56,850 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(11)
Includes 5,000 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(12)
Represents shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(13)
Includes 18,500 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(14)
Includes 36,166 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(15)
Includes 286,873 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(16)
Includes 97,457 shares issuable upon exercise of options exercisable within 60 days of March 1, 2002.

(17)
Includes 5,802,468 shares of Common Stock held by entities affiliated with certain directors and 579,221 shares of Common Stock issuable upon exercise of stock options held by directors and officers that are exercisable within 60 days of March 1, 2002. See Notes 2, 4, 7 and 9 through 16 above.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "1934 Act") requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than 10% stockholders are required by Securities and Exchange Commission regulations to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2001, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS

Our directors receive no cash compensation for their services as directors, but are reimbursed for their reasonable expenses in attending Board meetings. All directors are eligible to participate in the 2000 Equity Incentive Plan, as amended ("2000 Plan"). Employee directors are eligible to participate in our 2000 Employee Stock Purchase Plan. Options granted to non-employee directors under the 2000 Plan are intended by the Company not to qualify as incentive stock options under the Code.

The Board of Directors grants to any newly elected non-employee director a nonstatutory stock option to purchase 20,000 shares of Common Stock pursuant to the 2000 Plan at 100% of the fair market value of the Common Stock of the Company on the date of grant, with monthly vesting over a term of four years. In addition, at the first regularly scheduled meeting of each calendar year, the Board of Directors considers granting options to purchase shares of Common Stock pursuant to the 2000 Plan with an exercise price of 100% of the fair market value of the Common Stock of the Company on the date of grant and vesting upon the first anniversary date of the grant, to each non-employee board member serving as a director at the time of such Board of Directors meeting. During the last calendar year, the Board of Directors granted options to purchase 5,000 shares of Common Stock to each of the non-employee directors. The term of the options granted to non-employee directors is ten years. In the event of a sale or disposition of substantially all of the securities or assets of the Company, a merger of the Company with or into another corporation or a consolidation or other change-in-control transaction involving the Company, the 2000 Plan provides that stock awards, including options, held by non-employee directors shall become fully vested and immediately exercisable as of the effective date of the change-in-control of the Company.

In addition to the standard arrangements described above, options are also granted to non-employee directors on a discretionary basis. During the last fiscal year, the Company granted nonstatutory stock options covering 10,000 shares at an exercise price per share of $1.65 to Mr. Bigham, Mr. Lyons and Dr. Padfield, and 75,000 shares at an exercise price per share of $2.00 to Ms. LaPorte, which was the fair market value of such Common Stock on the date of grant (based on the closing sales price reported on the Nasdaq National Market for the date of grant). As of March 1, 2002, no options have been exercised by non-employee directors under the 2000 Plan.

COMPENSATION OF EXECUTIVE OFFICERS

The following table shows for the fiscal years ended December 31, 2001, 2000 and 1999, compensation awarded or paid to, or earned by: (i) the Company's Chief Executive Officer; (ii) the other highest compensated executive officers whose compensation exceeded $100,000 at December 31, 2001; and (iii) two former executive officers who departed from the Company during fiscal year 2001 (the "Named Executive Officers"). In accordance with the rules of the Securities and Exchange Commission, the compensation described in this table does not include medical, group life insurance or other benefits received by the Named Executive Officers that are available generally to all our salaried employees and certain perquisites and other personal benefits received by the Named Executive

Officers, which do not exceed the lessor of $50,000 or 10% of any such officer's salary and bonus disclosed in this table:

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)(1)	Securities Underlying Options (#)	All Other Compensation ($)

		Annual Compensation			Long-Term Compensation		
Kenneth J. Kelley(2)	2001	330,000	50,000		108,750(3)	240,000	
Former President, Chief	2000	330,000	50,000			25,000	
Executive Officer and	1999	277,083	50,000			75,000	
Director							
Henry J. Fuchs, M.D.(4)	2001	250,000	25,000		72,500(5)	340,000	
President, Chief	2000	250,000				12,500	
Operating Officer and	1999	221,667				34,791	
Director							
Natalie L. McClure, Ph.D.	2001	207,500	22,500		36,250(6)	112,000	
Senior Vice President,	2000	190,000				17,500	
Product Development	1999	36,458				105,000	
Sandra J. Wrobel(7)	2001	156,670	61,000			130,000	94,330(8)
Former Chief Financial	2000	235,000				12,500	
Officer and Vice	1999	50,000				150,000	
President,							
Business Operations							
John C. Fiddes, Ph.D.(9)	2001	122,500	22,500			60,000	129,500(10)
Former Chief Technical	2000	210,000				12,500	
Officer and Vice	1999	205,423				21,875	
President, Preclinical							
Research							

(1) Dividends on these shares of restricted stock will be paid when, as and if declared on the Company's common stock by the Company's Board of Directors. To date, the Company has not paid any dividends and does not anticipate paying any dividends on its common stock in the foreseeable future.

(2) Mr. Kelley resigned as President, Chief Executive Officer and Chairman of the Board of the Company on November 29, 2001, but remained as a non-executive employee until January 31, 2002.

(3) Represents the dollar value of 75,000 shares of restricted stock awarded, based on a market value on the effective date of the grant of $1.45 per share. On December 31, 2001, Mr. Kelley vested in 37,500 shares of restricted stock worth $102,375, based on a closing price of $2.73 per share. The remaining shares were cancelled due to Mr. Kelley's resignation in November 2001.

(4) Dr. Fuchs was elected President, Chief Operating Officer and a director of the Company on November 29, 2001.

(5) Represents the dollar value of 50,000 shares of restricted stock awarded, based on a market value on the effective date of the grant of $1.45 per share. On December 31, 2001, Dr. Fuchs vested in 25,000 shares of restricted stock worth $68,250, based on a closing price of $2.73 per share. The

remaining will vest in full on June 30, 2006 if Dr. Fuch is still employed with the Company at that time.

(6) Represents the dollar value of 25,000 shares of restricted stock awarded, based on a market value on the effective date of the grant of $1.45 per share. On December 31, 2001, Dr. McClure vested in 12,500 shares of restricted stock worth $34,125, based on a closing

price of $2.73 per share. The remaining will vest in full on June 30, 2006 if Dr. McClure is still employed with the Company at that time.

(7) In connection with the Company's restructuring during the last fiscal year, Ms. Wrobel was laid off as Chief Financial Officer and Vice President, Business Operations, effective August 31, 2001.

(8) Includes $22,030 for accrued vacation and $72,300 in severance payments paid to Ms. Wrobel.

(9) In connection with the Company's restructuring during the last fiscal year, Dr. Fiddes was laid off as Chief Technical Officer and Vice President, Preclinical Research, effective July 31, 2001.

(10) Includes $24,500 for accrued vacation and $105,000 in severance payments paid to Dr. Fiddes.

STOCK OPTION GRANTS AND EXERCISES

The Company grants options to its executive officers under its 2000 Plan and prior to March 28, 2000, under its 1995 Stock Option Plan (collectively, the "Incentive Plans"). As of March 1, 2002, options to purchase a total of 4,251,545 shares were outstanding under the Incentive Plans and options to purchase 3,752,169 shares remained available for grant under the 2000 Plan.

The following tables show for the fiscal year ended December 31, 2001, certain information regarding options granted to, exercised by, and held at year end by, the Named Executive Officers:

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term($)(4)	
Name	**Number of Securities Underlying Options Granted(1)**	**Percent of Total Options Granted to Employees in Fiscal Year(2)**	**Exercise Price ($/Sh)(3)**	**Expiration Date**	**5%**	**10%**
Kenneth J. Kelley	240,000	8.4%	9.5625	1/31/11	1,445,850	3,649,050
Henry J. Fuchs, M.D.	100,000	3.5	9.5625	1/31/11	602,438	1,520,438
	100,000	3.5	2.40	4/26/11	151,200	381,600
	140,000	4.9	2.00	11/28/11	176,400	445,200
Natalie L. McClure, Ph.D.	52,000	1.8	9.5625	1/31/11	313,268	790,628
	60,000	2.1	1.65	5/18/11	62,400	157,410
Sandra J. Wrobel	55,000	1.9	9.5625	1/31/11(5)	331,341	836,241
	75,000	2.6	2.40	4/26/11(5)	113,400	286,200
John C. Fiddes, Ph.D.	60,000	2.1	9.5625	1/31/11(5)	361,463	912,263

(1) All options have a term not greater than 10 years from the grant date. The Board of Directors determines the time or times during the term when the options may be exercised. Options generally vest ratably over a period ranging from 18 months to six years.

(2) Based upon options to purchase an aggregate 2,849,200 shares of Common Stock that were granted in the fiscal year ended December 31, 2001.

(3)

The exercise price per share of each option granted was equal to the fair market value of the Common Stock on the date of the grant.

(4)

Potential realizable value is calculated based on the term of the option at its time of grant. It is calculated by assuming that the stock price on the date of grant appreciates at the indicated annual rate, compounded

annually for the entire term of the option and that the option is exercised and sold on the last day of its term for the appreciated stock price. No gain to the option holder is possible unless the stock price increases over the option term. The 5% and 10% assumed rates of appreciation are derived from the rules of the Securities and Exhcnage Commission and do not represent the Company's estimate or projection of the future Common Stock price.

(5)

The options terminated prior to expiration in connection with the Named Executive Officer's departure from the Company.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth as to the Named Executive Officers, information concerning options held as December 31, 2001 and exercised during the fiscal year ended December 31, 2001.

			Number of Securities Underlying Unexercised Options at December 31, 2001		Value of Unexercised In-the-Money Options at 12/31/2001(1)	
Name	**Shares Acquired**	**Value Realized(2)**	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Kenneth J. Kelley		$	242,813	471,667	$ 403,976	$ 370,500
Henry J. Fuchs, M.D.			209,623	387,668	371,241	262,552
Natalie L. McClure, Ph.D.			66,373	168,127	49,279	92,171
Sandra J. Wrobel	56,250	18,089				
John C. Fiddes, Ph.D.	129,583	120,030				

(1)

The information regarding the value of unexercised in-the-money options is based on the closing sales price as reported on the Nasdaq Stock Market on December 31, 2001 of $2.73 per share minus the per share exercise price, multiplied by the number of shares underlying the option.

(2)

The information regarding the value realized reflects the fair market value of our Common Stock underlying the option on the date of exercise minus the aggregate exercise price of the option.

EMPLOYMENT, SEVERANCE AND CHANGE IN CONTROL AGREEMENTS

On November 29, 2001, Kenneth J. Kelley resigned as Chief Executive Officer, President and Chairman of the Board of Directors. Under the terms of his Separation and Consulting Agreement, Mr. Kelley remained as a non-executive employee until January 31, 2002. He received a bonus payment equal to $66,000. Mr. Kelley will remain a consultant with us through at least July 31, 2003, and receive ongoing severance payments in the aggregate amount of approximately $550,000, as well as health benefit coverage. In addition, 50% of a restricted common stock award of 75,000 shares granted in July 2001, vested in December 2001, and 50% of Mr. Kelley's unvested stock option grants vested in January 2002. The remaining unvested stock option grants will continue to vest over the remainder of the consulting period. At the end of the consulting period, Mr. Kelley will have 3 months to exercise his options or such options will terminate. In the event a change in control of the Company occurs during the consulting period, all of the unvested shares subject to his stock option grants will vest and become fully exercisable as of the effective date of such change in control, and the Company will be obligated to pay Mr. Kelley a lump sum payment equal to the total amount of the remaining unpaid severance payments if such payments are not assumed by an acquiring entity.

In connection with the Company's restructuring during the last fiscal year, Dr. Fiddes was laid off as Chief Technical Officer and Vice President, Preclinical Research, effective July 31, 2001. Under the terms of his Separation Agreement, Dr. Fiddes received a single lump sum of $105,000 (in lieu of 6 months base salary), six months accelerated vesting of all unvested stock options from the separation date, as well as six months of health benefit coverage.

In connection with the Company's restructuring during the last fiscal year, Ms. Wrobel laid off as Chief Financial Officer and Vice President, Business Operations, effective August 31, 2001. Under the terms of her Separation Agreement, Ms. Wrobel received a bonus payment equal to $23,500, a single lump sum of $72,307 (in lieu of 16 weeks base salary), four months accelerated vesting of all unvested stock options from the separation date, as well as four months of health benefit coverage.

In June 2001, the Board of Directors adopted a Senior Executive Severance Benefit Plan for the benefit of the Company's Named Executive Officers. Under this plan, in the event of a constructive termination or an involuntary termination without cause of an executive officer, other than a Chief Executive Officer, such executive officer is entitled to continue to receive base salary and health benefits for a period of 9 months plus 1 month of additional salary for each complete year of service performed in excess of 2 years of service up to a maximum of 15 months.

Pursuant to the Company's Amended and Restated 1995 Stock Option Plan and the 2000 Plan, in the event of a sale or disposition of substantially all of the securities or assets of the Company, a merger of the Company with or into another corporation or a consolidation or other change-in-control transaction involving the Company, the remaining unvested shares of any stock awards held by an executive officer shall become fully vested if such executive officer's employment with the Company is involuntarily terminated without cause or voluntarily terminated with good reason within 13 monom" STYLE=" BORDER-BOTTOM:1px solid #000000"> 07/01/2040 3,930 3,930,904

Geisinger Authority (Geisinger Health System Foundation); Series 2013 A, VRD Health System (i)

1.65% 10/01/2043 800 800,000

Geisinger Authority (Geisinger Health System);
Series 2011 A-1, Health System RB

5.13% 06/01/2041 1,500 1,591,905

Series 2017 A-1, Ref. Health System RB (b)

5.00% 02/15/2045 7,810 8,547,967

Lancaster (County of) Hospital Authority (Brethren Village);
Series 2017, Ref. RB

5.13% 07/01/2037 700 722,771

Series 2017, Ref. RB

5.25% 07/01/2041 1,500 1,555,470

Lancaster (County of) Hospital Authority (Lancaster General Hospital); Series 2012, Health System RB (c)

5.00% 01/01/2022 2,000 2,170,560

Lancaster (County of) Hospital Authority (Landis Homes Retirement Community); Series 2015, Ref. Health Center RB

5.00% 07/01/2045 3,800 3,878,774

Lancaster (County of) Hospital Authority (Masonic Villages);
Series 2008 D, VRD RB (LOC - JP Morgan Chase Bank N.A.)[(h)(i)]

1.72% 07/01/2034 865 865,000

Series 2015, Ref. RB

5.00% 11/01/2035 790 847,157

Lancaster (County of) Solid Waste Management Authority; Series 2013 A, Solid Waste Disposal System RB

5.25% 12/15/2030 1,000 1,095,520

Lebanon (County of) Health Facilities Authority (E.C.C. Retirement Village); Series 2000, VRD RB (LOC - PNC Bank, N.A.)[(h)(i)]

1.64% 10/15/2025 1,206 1,206,000

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Pennsylvania-(continued)				
Lehigh (County of) General Purpose Authority (Bible Fellowship Church Homes, Inc.); Series 2013, RB	5.25%	07/01/2042	$ 2,675	$ 2,680,938
Luzerne (County of) Convention Center Authority; Series 1998 A, VRD Hotel Room Rental Tax RB (LOC - PNC Bank, N.A.)[(h)(i)]	1.64%	09/01/2028	589	589,000
Lycoming (County of) Authority (Pennsylvania College of Technology); Series 2011, RB	5.00%	07/01/2030	4,250	4,459,015
Lycoming (County of) Authority (Susquehanna Health System); Series 2009 A, Health System RB	5.75%	07/01/2039	3,750	3,833,100
Montgomery (County of) Higher Education & Health Authority (Abington Memorial Hospital Obligated Group); Series 2012, RB [(c)]	5.00%	06/01/2022	3,600	3,944,628
Montgomery (County of) Higher Education & Health Authority (Holy Redeemer Health System); Series 2014, Ref. RB	5.00%	10/01/2027	1,460	1,584,363
Montgomery (County of) Higher Education & Health Authority (Philadelphia Presbytery Homes, Inc.); Series 2017, Ref. RB	5.00%	12/01/2047	2,250	2,347,650
Montgomery (County of) Higher Education & Health Authority (Thomas Jefferson University); Series 2018 A, Ref. RB	5.00%	09/01/2048	980	1,066,132
Montgomery (County of) Industrial Development Authority (ACTS Retirement-Life Communities, Inc.); Series 2012, Ref. RB	5.00%	11/15/2027	2,400	2,543,112
Series 2012, Ref. RB	5.00%	11/15/2028	500	528,140
Montgomery (County of) Industrial Development Authority (Albert Einstein Healthcare); Series 2015, Ref. Health System RB	5.25%	01/15/2045	3,150	3,348,639
Montgomery (County of) Industrial Development Authority (Meadwood Senior Living); Series 2018 A, RB	5.00%	12/01/2048	1,270	1,316,533
Montgomery (County of) Industrial Development Authority (Philadelphia Presbytery Homes, Inc.); Series 2010, RB [(c)]	6.62%	12/01/2021	3,905	4,411,127
Northampton (County of) General Purpose Authority (LaFayette College); Series 2017, VRD Ref. Hospital Facilities RB [(b)]	5.00%	11/01/2047	5,865	6,509,153
Northampton (County of) General Purpose Authority (Lehigh University); Series 2009, Higher Education RB [(c)]	5.00%	05/15/2019	2,000	2,028,800
Series 2009, Higher Education RB [(c)]	5.50%	05/15/2019	4,000	4,066,480
Northampton (County of) General Purpose Authority (St. Luke s University Health Network); Series 2016, Ref. Hospital RB	5.00%	08/15/2036	1,170	1,279,734

Series 2018 A, Ref. Hospital RB	4.00%	08/15/2048	2,355	2,289,013
Northampton (County of) Industrial Development Authority (Morningstar Senior Living, Inc.); Series 2012, RB	5.00%	07/01/2032	740	748,902
Series 2012, RB	5.00%	07/01/2036	1,000	1,006,790
Pennsylvania (Commonwealth of); First Series 2013, Unlimited Tax GO Bonds (b)	5.00%	04/01/2028	15,000	16,789,049
Series 2018 A, Ref. COP	5.00%	07/01/2043	2,160	2,343,082
Series 2018 A, Ref. COP	4.00%	07/01/2046	1,960	1,905,649
Pennsylvania (State of) Economic Development Financing Agency (Forum Place); Series 2012, Governmental Lease RB	5.00%	03/01/2034	1,750	1,817,708
Pennsylvania (State of) Economic Development Financing Authority (Amtrak); Series 2012 A, Ref. Exempt Facilities RB (j)	5.00%	11/01/2041	3,830	4,045,208
Pennsylvania (State of) Economic Development Financing Authority (Aqua Pennsylvania, Inc.); Series 2010 A, Ref. Water Facility RB (j)	5.00%	12/01/2034	2,000	2,086,240
Pennsylvania (State of) Economic Development Financing Authority (Capital Region Parking System); Series 2013, Jr. Parking System RB	6.00%	07/01/2053	3,280	3,718,470
Pennsylvania (State of) Economic Development Financing Authority (National Gypson Co.); Series 2014, Ref. Exempt Facilities RB (j)	5.50%	11/01/2044	2,365	2,441,815
Pennsylvania (State of) Economic Development Financing Authority (PA Bridges Finco L.P.); Series 2015, RB (j)	5.00%	12/31/2034	4,400	4,705,624
Pennsylvania (State of) Economic Development Financing Authority (Philadelphia Biosolids Facility); Series 2009, Sewage Sludge Disposal RB	6.25%	01/01/2032	2,000	2,060,900
Pennsylvania (State of) Higher Educational Facilities Authority (AICUP Financing Program-Del Valley College); Series 2012, RB	5.00%	11/01/2027	1,650	1,665,081
Pennsylvania (State of) Higher Educational Facilities Authority (Drexel University); Series 2016, Ref. RB	5.00%	05/01/2035	3,590	3,930,511
Pennsylvania (State of) Higher Educational Facilities Authority (Edinboro University Foundation); Series 2010, RB (c)	6.00%	07/01/2020	1,000	1,058,170

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Pennsylvania-(continued)				
Pennsylvania (State of) Higher Educational Facilities Authority (La Salle University); Series 2012, RB	5.00%	05/01/2042	$ 3,320	$ 3,362,131
Pennsylvania (State of) Higher Educational Facilities Authority (Shippensburg University Student Services); Series 2012, RB (c)	5.00%	10/01/2022	1,000	1,102,920
Series 2012, RB (c)(d)	5.00%	10/01/2035	2,150	2,371,278
Pennsylvania (State of) Higher Educational Facilities Authority (St. Joseph s University); Series 2010 A, RB	5.00%	11/01/2040	5,000	5,190,550
Pennsylvania (State of) Higher Educational Facilities Authority (State System Higher Education); Series 2010 AL, RB	5.00%	06/15/2021	1,450	1,513,191
Pennsylvania (State of) Higher Educational Facilities Authority (Temple University); First Series 2012, RB	5.00%	04/01/2042	2,430	2,579,980
Pennsylvania (State of) Higher Educational Facilities Authority (Thomas Jefferson University); Series 2010, RB (c)	5.00%	03/01/2020	1,000	1,036,080
Series 2015, Ref. RB	5.25%	09/01/2050	3,155	3,474,381
Pennsylvania (State of) Higher Educational Facilities Authority (Trustees of the University of Pennsylvania); Series 2017, RB (b)	5.00%	08/15/2046	7,800	8,745,750
Pennsylvania (State of) Higher Educational Facilities Authority (University Properties, Inc.); Series 2010, Student Housing RB	5.00%	07/01/2042	2,320	2,338,073
Pennsylvania (State of) Intergovernmental Cooperation Authority (City of Philadelphia Funding Program); Series 2009, Ref. Special Tax RB (b)	5.00%	06/15/2021	12,135	12,332,557
Pennsylvania (State of) Turnpike Commission; Second Series 2017, Ref. Sub. Motor License Fund Special RB	5.00%	12/01/2038	2,000	2,190,920
Second Series 2017, Ref. Sub. Motor License Fund Special RB	5.00%	12/01/2041	700	761,803
Series 2009 C, Sub. Conv. RB (INS -AGM)(g)	6.25%	06/01/2033	5,840	7,065,758
Series 2009 E, Sub. Conv. RB	6.37%	12/01/2038	720	876,024
Series 2010 A-1, Motor License Fund Special RB (c)	5.00%	12/01/2019	1,000	1,030,410
Series 2011 B, Sub. Motor License Fund Special RB (b)	5.00%	12/01/2041	11,000	11,506,220
Series 2014, Ref. RB	5.00%	12/01/2034	1,500	1,644,435
Series 2017 A, Sub. RB (b)(e)	5.50%	12/01/2042	10,000	11,324,200
Series 2018 A-2, RB	5.00%	12/01/2043	1,965	2,157,806
Series 2018 B, Sub. Oil Franchise Tax RB	5.25%	12/01/2048	2,370	2,657,671
Subseries 2010 A-2, Ref. Motor License Fund Special Conv. RB (c)	5.50%	12/01/2020	1,695	1,810,616
Subseries 2010 A-2, Sub. Motor License Fund Special Conv. RB (c)	5.50%	12/01/2020	370	395,238
Subseries 2010 B-2, Motor License Fund Special RB (c)	5.00%	12/01/2020	695	735,651
Subseries 2010 B-2, Ref. Sub. Special Turnpike RB (c)	5.00%	12/01/2020	805	852,084

Subseries 2010 B-2, Sub. RB (c)	5.13%	12/01/2020	1,500	1,591,380
Subseries 2010 B-2, Sub. Special Turnpike RB (c)	5.00%	12/01/2020	375	395,801
Subseries 2017 B-1, Sub. Turnpike RB	5.25%	06/01/2047	3,000	3,245,280
Pennsylvania State University; Series 2016A, RB	5.00%	09/01/2041	3,245	3,645,530
Philadelphia (City of); Ninth				
Series 2010, Gas Works RB (c)	5.00%	08/01/2020	1,500	1,573,755
Ninth Series 2010, Gas Works RB (c)	5.25%	08/01/2020	1,400	1,473,346
Ninth Series 2010, Gas Works RB	5.25%	08/01/2040	2,210	2,314,666
Series 2008 A, Ref. Unlimited Tax GO Bonds (c)(d)	5.25%	12/15/2018	3,500	3,503,815
Series 2009 A, Ref. Unlimited Tax GO Bonds (c)(d)	5.50%	08/01/2019	160	163,864
Series 2009 A, Ref. Unlimited Tax GO Bonds (g)	5.50%	08/01/2024	1,340	1,370,833
Series 2009 A, Water & Wastewater RB (c)	5.25%	01/01/2019	1,500	1,503,975
Series 2010 C, Water & Wastewater RB (c)(d)	5.00%	08/01/2020	2,135	2,241,771
Series 2010 C, Water & Wastewater RB (g)	5.00%	08/01/2035	615	640,209
Series 2011, Unlimited Tax GO Bonds (c)	6.00%	08/01/2020	2,000	2,132,500
Series 2014 A, Ref. Unlimited Tax GO Bonds	5.25%	07/15/2034	1,000	1,098,440
Series 2017 A, Ref. Unlimited Tax GO Bonds	5.00%	08/01/2036	2,550	2,787,634
Series 2017 A, Water & Wastewater RB (b)(e)	5.25%	10/01/2052	7,405	8,250,281

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Pennsylvania-(continued)				
Series 2017 B, Ref. Airport RB [j]	5.00%	07/01/2047	$ 3,000	$ 3,243,420
Series 2017, Ref. Unlimited Tax GO Bonds	5.00%	08/01/2041	3,120	3,372,346
Twelfth Series 1990 B, Gas Works RB [c][d]	7.00%	05/15/2020	840	877,002
Philadelphia (City of) Authority for Industrial Development (The Children s Hospital of Philadelphia); Series 2014 A, Hospital RB [b]	5.00%	07/01/2042	6,000	6,507,840
Philadelphia (City of) Authority for Industrial Development (Wesley Enhanced Living Obligated Group); Series 2017, Ref. Sr. Living Facilities RB	5.00%	07/01/2042	1,525	1,533,388
Series 2017, Ref. Sr. Living Facilities RB	5.00%	07/01/2049	3,000	3,001,950
Philadelphia (City of) Hospitals & Higher Education Facilities Authority (Children s Hospital of Philadelphia); Series 2011, RB	5.00%	07/01/2041	2,000	2,110,220
Philadelphia (City of) Hospitals & Higher Education Facilities Authority (Jefferson Health System); Series 2010 B, RB [c]	5.00%	05/15/2020	4,995	5,206,938
Philadelphia (City of) Hospitals & Higher Education Facilities Authority (Temple University Health System); Series 2017, Ref. RB	5.00%	07/01/2032	1,980	2,122,322
Series 2017, Ref. RB	5.00%	07/01/2034	1,000	1,062,820
Philadelphia (City of) Industrial Development Authority (Architecture & Design Charter High School); Series 2013, RB	6.12%	03/15/2043	1,915	1,453,677
Philadelphia (City of) Industrial Development Authority (Discovery Charter School); Series 2012, RB	5.87%	04/01/2032	450	450,698
Series 2012, RB	6.25%	04/01/2037	500	503,070
Philadelphia (City of) Industrial Development Authority (First Philadelphia Preparatory Charter School); Series 2014 A, RB	7.00%	06/15/2033	3,125	3,441,094
Philadelphia (City of) Industrial Development Authority (Global Leadership Academy Charter School); Series 2010, RB	6.37%	11/15/2040	1,000	1,018,310
Philadelphia (City of) Industrial Development Authority (Independence Charter School); Series 2007 A, RB	5.50%	09/15/2037	2,815	2,815,535
Philadelphia (City of) Industrial Development Authority (Kipp Philadelphia Charter School); Series 2016 B, RB	5.00%	04/01/2046	2,360	2,321,815
Philadelphia (City of) Industrial Development Authority (MaST Charter School); Series 2010, RB [c]	6.00%	08/01/2020	1,660	1,764,348
Philadelphia (City of) Industrial Development Authority (MaST I Charter School); Series 2016A, Ref. RB	5.25%	08/01/2046	1,500	1,499,895
Philadelphia (City of) Industrial Development Authority (New Foundations Charter School); Series 2012, RB	6.62%	12/15/2041	1,250	1,349,388
Philadelphia (City of) Industrial Development Authority (Performing Arts Charter School); Series 2013, RB [f]	6.50%	06/15/2033	3,055	3,157,587
Philadelphia (City of) Industrial Development Authority (University of the Arts); Series 2017, Ref. RB [f]	5.00%	03/15/2045	1,960	1,882,325

Philadelphia (City of) Parking Authority; Series 1999 A, RB (INS-AMBAC)[g]	5.25%	02/15/2029	1,645	1,649,507
Philadelphia (State of) Authority for Industrial Development (Cultural and Commercials Corridors); Series 2016, Ref. City Agreement RB	5.00%	12/01/2031	3,160	3,505,451
Philadelphia (State of) Authority for Industrial Development (Temple University); First Series 2015, Ref. RB	5.00%	04/01/2045	1,970	2,128,309
Philadelphia School District;				
Series 2007 A, Ref. Unlimited Tax GO Bonds (INS -NATL)[g]	5.00%	06/01/2025	1,965	2,206,341
Series 2008 E, Limited Tax GO Bonds (INS -BHAC)[g]	5.13%	09/01/2023	420	421,289
Pittsburgh (City of) & Allegheny (County of) Sports & Exhibition Authority; Series 2010, Ref. Hotel Room Excise Tax RB (INS-AGM)[g]	5.00%	02/01/2035	1,000	1,037,850
Pittsburgh (City of) & Allegheny (County of) Sports & Exhibition Authority (Regional Asset District); Series 2010, Ref. Sales Tax RB (INS -AGM)[g]	5.00%	02/01/2031	3,235	3,366,535
Pittsburgh (City of) Water & Sewer Authority; Series 2013 A, Ref. First Lien RB	5.00%	09/01/2031	1,250	1,368,938
Southeastern Pennsylvania Transportation Authority; Series 2011, Capital Grant Receipts RB [c]	5.00%	06/01/2021	2,480	2,657,444
State Public School Building Authority (Harrisburg School District);				
Series 2009, RB [c][d]	5.00%	05/15/2019	420	426,048
Series 2009, RB [c][d]	5.00%	05/15/2019	415	420,976
Series 2009, RB [c][d]	5.00%	05/15/2019	1,665	1,688,976
Series 2016A, Ref. RB (INS -AGM)[g]	5.00%	12/01/2030	3,745	4,225,483

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Pennsylvania-(continued)				
State Public School Building Authority (Philadelphia School District); Series 2012, Lease RB	5.00%	04/01/2032	$ 1,500	$ 1,569,015
Susquehanna Area Regional Airport Authority; Series 2012 A, Airport System RB [(j)]	5.00%	01/01/2027	4,415	4,747,714
Union (County of) Hospital Authority (Evangelical Community Hospital); Series 2011, Ref. & Improvement RB [(c)]	7.00%	08/01/2021	3,000	3,373,860
University of Pittsburgh - of the Commonwealth System of Higher Education (University Capital);				
Series 2000 B, Ref. RB [(b)]	5.25%	09/15/2034	10,000	10,265,100
Series 2005 A, RB [(b)(e)]	5.25%	09/15/2030	10,000	10,265,100
Washington (County of) Industrial Development Authority (Washington Jefferson College);				
Series 2010, College RB [(c)]	5.00%	05/01/2020	1,700	1,772,624
Series 2010, College RB [(c)]	5.25%	05/01/2020	1,500	1,569,270
Washington (County of) Redevelopment Authority;				
Series 2018, Ref. Tax Allocation RB	5.00%	07/01/2028	750	768,360
Series 2018, Ref. Tax Allocation RB	5.00%	07/01/2035	1,000	1,002,130
West Cornwall Township Municipal Authority (Pleasant View Retirement Community); Series 2018 C, Ref. RB	5.00%	12/15/2048	2,670	2,774,584
West Shore Area Authority (Massiah Village); Series 2015 A, Ref. RB	5.00%	07/01/2035	1,500	1,556,055
Westmoreland (County of) Municipal Authority;				
Series 2013, RB [(c)]	5.00%	08/15/2023	2,000	2,249,500
Series 2013, RB [(c)]	5.00%	08/15/2023	2,250	2,530,687
Wilkes-Barre (City of) Finance Authority (University of Scranton); Series 2010, RB [(c)]	5.00%	11/01/2020	2,650	2,801,659
				517,679,877
Guam-5.19%				
Guam (Territory of); Series 2011 A, Business Privilege Tax RB	5.25%	01/01/2036	1,700	1,780,648
Guam (Territory of) (Section 30);				
Series 2009 A, Limited Obligation RB [(c)]	5.63%	12/01/2019	1,250	1,295,650
Series 2009 A, Limited Obligation RB [(c)]	5.75%	12/01/2019	1,065	1,105,193
Series 2016A, Ref. Limited Obligation RB	5.00%	12/01/2046	1,250	1,314,338
Guam (Territory of) International Airport Authority;				
Series 2013 C, General RB (INS-AGM)[(g)(j)]	6.00%	10/01/2034	1,550	1,771,232
Series 2013 C, General RB [(j)]	6.25%	10/01/2034	1,500	1,691,910
Guam (Territory of) Power Authority;				
Series 2010 A, RB [(c)]	5.50%	10/01/2020	1,285	1,365,402
Series 2012 A, Ref. RB	5.00%	10/01/2034	1,700	1,770,992
Guam (Territory of) Waterworks Authority;				
Series 2010, Water & Wastewater System RB [(c)]	5.63%	07/01/2020	3,000	3,168,210
Series 2014 A, Ref. Water & Wastewater System RB	5.00%	07/01/2029	1,055	1,122,172

				16,385,747
Virgin Islands-1.93%				
Virgin Islands (Government of) Port Authority; Series 2014 B, Ref. Marine RB	5.00%	09/01/2044	970	865,725
Virgin Islands (Government of) Public Finance Authority; Series 2015, RB (f)	5.00%	09/01/2030	2,230	2,346,451
Virgin Islands (Government of) Public Finance Authority (Matching Fund Loan Note - Diageo); Series 2009 A, Sub. RB	6.63%	10/01/2029	2,040	2,067,540
Virgin Islands (Government of) Public Finance Authority (Matching Fund Loan Note); Series 2009 B, Ref. Sr. Lien RB	5.00%	10/01/2025	810	816,075
				6,095,791
Puerto Rico-1.12%				
Children s Trust Fund;				
Series 2002, Tobacco Settlement Asset-Backed RB	5.63%	05/15/2043	1,115	1,117,096
Series 2005 A, Tobacco Settlement Asset-Backed RB (k)	0.00%	05/15/2050	15,000	1,736,850

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Puerto Rico-(continued)				
Puerto Rico (Commonwealth of) Electric Power Authority; Series 2007 VV, Ref. RB (INS -NATL)[g]	5.25%	07/01/2030	$ 640	$ 672,115
				3,526,061
TOTAL INVESTMENTS IN SECURITIES[l] -172.38% (Cost $531,872,178)				543,687,476
FLOATING RATE NOTE OBLIGATIONS-(31.11)%				
Notes with interest and fee rates ranging from 2.21% to 2.31% at 11/30/2018 and contractual maturities of collateral ranging from 06/15/2021 to 10/01/2052 (See Note 1D)[m]				(98,105,000)
VARIABLE RATE MUNI TERM PREFERRED SHARES-(43.63)%				(137,555,904)
OTHER ASSETS LESS LIABILITIES-2.36%				7,371,261
NET ASSETS APPLICABLE TO COMMON SHARES-100.00%				$ 315,397,833

Investment Abbreviations:

AGM	- Assured Guaranty Municipal Corp.
AMBAC	- American Municipal Bond Assurance Corp.
BAM	- Build America Mutual Assurance Co.
BHAC	- Berkshire Hathaway Assurance Corp.
Conv.	- Convertible
COP	- Certificates of Participation
GO	- General Obligation
Gtd.	- Guaranteed
INS	- Insurer
Jr.	- Junior
LOC	- Letter of Credit
NATL	- National Public Finance Guarantee Corp.
RB	- Revenue Bonds
Ref.	- Refunding
Sr.	- Senior
Sub.	- Subordinated
VRD	- Variable Rate Demand

Notes to Schedule of Investments:

(a) Calculated as a percentage of net assets. Amounts in excess of 100% are due to the Trust s use of leverage.

(b) Underlying security related to TOB Trusts entered into by the Trust. See Note 1D.

(c) Advance refunded; secured by an escrow fund of U.S. Government obligations or other highly rated collateral.

(d) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.

(e)

Security is subject to a reimbursement agreement which may require the Trust to pay amounts to a counterparty in the event of a significant decline in the market value of the security underlying the TOB Trusts. In case of a shortfall, the maximum potential amount of payments the Trust could ultimately be required to make under the agreement is $30,365,000. However, such shortfall payment would be reduced by the proceeds from the sale of the security underlying the TOB Trusts.

(f) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the 1933 Act). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at November 30, 2018 was $10,959,605, which represented 3.5% of the Trust s Net Assets.

(g) Principal and/or interest payments are secured by the bond insurance company listed.

(h) Principal and interest payments are fully enhanced by a letter of credit from the bank listed or a predecessor bank, branch or subsidiary.

(i) Demand security payable upon demand by the Trust at specified time intervals no greater than thirteen months. Interest rate is redetermined periodically by the issuer or agent based on current market conditions. Rate shown is the rate in effect on November 30, 2018.

(j) Security subject to the alternative minimum tax.

(k) Zero coupon bond issued at a discount.

(l) Entities may either issue, guarantee, back or otherwise enhance the credit quality of a security. The entities are not primarily responsible for the issuer s obligation but may be called upon to satisfy issuer s obligations. No concentration of any single entity was greater than 5% each.

(m) Floating rate note obligations related to securities held. The interest and fee rates shown reflect the rates in effect at November 30, 2018. At November 30, 2018, the Trust s investments with a value of $149,644,279 are held by TOB Trusts and serve as collateral for the $98,105,000 in the floating rate note obligations outstanding at that date.

See accompanying notes which are an integral part of this schedule.

Invesco Pennsylvania Value Municipal Income Trust

Notes to Quarterly Schedule of Portfolio Holdings

November 30, 2018

(Unaudited)

NOTE 1 Significant Accounting Policies

A. Security Valuations Securities, including restricted securities, are valued according to the following policy. Securities are fair valued using an evaluated quote provided by an independent pricing service approved by the Board of Trustees. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Pricing services generally value debt obligations assuming orderly transactions of institutional round lot size, but a trust may hold or transact in the same securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust s officers following procedures approved by the Board of Trustees. Some of the factors which may be considered in determining fair value are fundamental analytical data relating to the investment; the nature and duration of any restrictions on transferability or disposition; trading in similar securities by the same issuer or comparable companies; relevant political, economic or issuer specific news; and other relevant factors under the circumstances.

The Trust may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/ or liquidity of certain Trust investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer s assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Bond premiums and discounts are amortized and/or accreted over the lives of the respective securities. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

The Trust may periodically participate in litigation related to Trust investments. As such, the Trust may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Trust s net asset value and, accordingly, they reduce the Trust s total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Trust and the investment adviser.

C. Country Determination For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer s securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

D. Floating Rate Note Obligations The Trust invests in inverse floating rate securities, such as Tender Option Bonds (TOBs), for investment purposes and to enhance the yield of the Trust. Such securities may be purchased in the secondary market without first owning an underlying bond but generally are created through the sale of fixed rate bonds by the Trust to special purpose trusts established by a broker dealer or by the Trust (TOB Trusts) in exchange for cash and residual interests in the TOB Trusts assets and cash flows, which are in the form of inverse floating rate securities. The TOB Trusts finance the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Trust to retain residual interests in the bonds. The floating rate notes issued by the TOB Trusts have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the TOB Trusts for redemption at par at each reset date. The residual interests held by the Trust (inverse floating rate securities) include the right of the Trust (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the TOB Trust to the Trust, thereby collapsing the TOB Trust. Inverse floating rate securities tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable.

The Trust generally invests in inverse floating rate securities that include embedded leverage, thus exposing the Trust to greater risks and increased costs. The primary risks associated with inverse floating rate securities are varying degrees of liquidity and decreases in the value of such securities in response to changes in interest rates to a greater extent than fixed rate securities having similar credit quality, redemption provisions and maturity, which may cause the Trust s net asset value to be more volatile than if it had not invested in inverse floating rate

D. Floating Rate Note Obligations (continued)

securities. In certain instances, the short-term floating rate notes created by the TOB Trust may not be able to be sold to third parties or, in the case of holders tendering (or putting) such notes for repayment of principal, may not be able to be remarketed to third parties. In such cases, the TOB Trust holding the fixed rate bonds may be collapsed with the entity that contributed the fixed rate bonds to the TOB Trust. In the case where a TOB Trust is collapsed with the Trust, the Trust will be required to repay the principal amount of the tendered securities, which may require the Trust to sell other portfolio holdings to raise cash to meet that obligation. The Trust could therefore be required to sell other portfolio holdings at a disadvantageous time or price to raise cash to meet this obligation, which risk will be heightened during times of market volatility, illiquidity or uncertainty. The embedded leverage in the TOB Trust could cause the Trust to lose more money than the value of the asset it has contributed to the TOB Trust and greater levels of leverage create the potential for greater losses. In addition, a Trust may enter into reimbursement agreements with the liquidity provider of certain TOB transactions in connection with certain residuals held by the Trust. These agreements commit a Trust to reimburse the liquidity provider to the extent that the liquidity provider must provide cash to a TOB Trust, including following the termination of a TOB Trust resulting from a mandatory tender event (liquidity shortfall). The reimbursement agreement will effectively make the Trust liable for the amount of the negative difference, if any, between the liquidation value of the underlying security and the purchase price of the floating rate notes issued by the TOB Trust.

The Trust accounts for the transfer of fixed rate bonds to the TOB Trusts as secured borrowings, with the securities transferred remaining in the Trust s investment assets, and the related floating rate notes reflected as Trust liabilities under the caption Floating rate note obligations on the Statement of Assets and Liabilities. The carrying amount of the Trust s floating rate note obligations as reported on the Statement of Assets and Liabilities approximates its fair value. The Trust records the interest income from the fixed rate bonds under the caption Interest and records the expenses related to floating rate obligations and any administrative expenses of the TOB Trusts as a component of Interest, facilities and maintenance fees on the Statement of Operations.

Final rules implementing section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule) prohibit banking entities from engaging in proprietary trading of certain instruments and limit such entities investments in, and relationships with, covered funds , as defined in the rules. These rules preclude banking entities and their affiliates from sponsoring and/or providing services for existing TOB Trusts. A new TOB structure is being utilized by the Trust wherein the Trust, as holder of the residuals, will perform certain duties previously performed by banking entities as sponsors of TOB Trusts. These duties may be performed by a third-party service provider. The Trust s expanded role under the new TOB structure may increase its operational and regulatory risk. The new structure is substantially similar to the previous structure; however, pursuant to the Volcker Rule, the remarketing agent would not be able to repurchase tendered floaters for its own account upon a failed remarketing. In the event of a failed remarketing, a banking entity serving as liquidity provider may loan the necessary funds to the TOB Trust to purchase the tendered floaters. The TOB Trust, not the Trust, would be the borrower and the loan from the liquidity provider will be secured by the purchased floaters now held by the TOB Trust. However, as previously described, the Trust would bear the risk of loss with respect to any liquidity shortfall to the extent it entered into a reimbursement agreement with the liquidity provider.

Further, the SEC and various banking agencies have adopted rules implementing credit risk retention requirements for asset-backed securities (the Risk Retention Rules). The Risk Retention Rules require the sponsor of a TOB Trust to retain at least 5% of the credit risk of the underlying assets supporting the TOB Trust s municipal bonds. The Trust has adopted policies intended to comply with the Risk Retention Rules. The Risk Retention Rules may adversely affect the Trust s ability to engage in TOB Trust transactions or increase the costs of such transactions in certain circumstances.

There can be no assurances that the new TOB structure will continue to be a viable form of leverage. Further, there can be no assurances that alternative forms of leverage will be available to the Trust in order to maintain current levels of leverage. Any alternative forms of leverage may be less advantageous to the Trust, and may adversely affect the Trust s net asset value, distribution rate and ability to achieve its investment objective.

TOBs are presently classified as private placement securities. Private placement securities are subject to restrictions on resale because they have not been registered under the Securities Act of 1933, as amended (the 1933 Act), or are otherwise not readily marketable. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. Although atypical, these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Trust or less than what may be considered the fair value of such securities.

E. Other Risks The value of, payment of interest on, repayment of principal for and the ability to sell a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives and the economics of the regions in which the issuers are located.

Since many municipal securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal securities market and the Trust s investments in municipal securities.

There is some risk that a portion or all of the interest received from certain tax-free municipal securities could become taxable as a result of determinations by the Internal Revenue Service.

NOTE 2 Additional Valuation Information

Generally Accepted Accounting Principles (GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment s assigned level:

Level 1 Prices are determined using quoted prices in an active market for identical assets.

Level 2 Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Trust s own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

As of November 30, 2018, all of the securities in this Trust were valued based on Level 2 inputs (see the Schedule of Investments for security categories). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

Invesco Pennsylvania Value Municipal Income Trust

Item 2. Controls and Procedures.

(a) As of January 25, 2019, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the Principal Executive Officer (PEO) and Principal Financial Officer (PFO), to assess the effectiveness of the Registrant s disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (Act), as amended. Based on that evaluation, the Registrant s officers, including the PEO and PFO, concluded that, as of January 25, 2019, the Registrant s disclosure controls and procedures were reasonably designed so as to ensure: (1) that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no changes in the Registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the Registrant s last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant s internal control over financial reporting.

Item 3. Exhibits.

Certifications of PEO and PFO as required by Rule 30a-2(a) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: Invesco Pennsylvania Value Municipal Income Trust

By: /s/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: January 29, 2019

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: January 29, 2019

By: /s/ Kelli Gallegos
Kelli Gallegos
Principal Financial Officer

Date: January 29, 2019

EXHIBIT INDEX

Certifications of Principal Executive Officer (PEO) and Principal Financial Officer (PFO) as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended.